

Message Text

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PAGE 01 LUANDA 01066 061442Z

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ACTION AF-06

INFO OCT-01 EUR-12 ISO-00 OPR-02 SCS-03 FEA-01 EB-07 SAM-01

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SP-02 IO-10 AID-05 OMB-01 DHA-02 SCCT-01 SCA-01 A-01

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R 051045Z AUG 75

FM AMCONSUL LUANDA

TO SECSTATE WASHDC 3923

INFO AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY LUSAKA

AMEMBASSY PRETORIA

CINCLANT NORFOLK VA

CINCEUR VAIHINGEN GER

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E.O. 11652: N/A

TAGS: ENRG AO

SUBJECT: REFINERY SITUATION

1. I TALKED ON AUGUST 4 WITH PETROFINA DIRECTOR JEAN PIERRE AMORY, WHO IS DOWN FROM BRUSSELS TO STUDY THE REFINERY SITUATION ON THE GROUND AND TO DECIDE WHAT TO DO ABOUT PETROANGOL'S WHITE EMPLOYEES, SOME 500 IN NUMBER, ABOUT 300 OF WHOM ARE IN LUANDA. THE COMPANY HAS ALREADY FLOWN OUT THOSE DEPENDENTS THAT WANTED TO GO AND NOW IS TRYING TO DECIDE WHETHER IT SHOULD EVACUATE THE EMPLOYEES THEMSELVES.

2. AMORY SAID THE REFINERY WILL NOT IN ANY EVENT BEGIN OPERATIONS BEFORE SEPTEMBER 1. MEANWHILE, ARRANGEMENTS ARE BEING MADE TO BRING IN TANKERS TO SUPPLY ANGOLA'S NEEDS. THE COMPANY HAS THREE BASIC OPTIONS: 1) LEAVE THE EMPLOYEES HERE; 2) EVACUATE PERSONNEL AND SEND IN CREWS FROM PORTUGAL; OR 3) KEEP THE REFINERY CLOSED FOR LIMITED OFFICIAL USE

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PAGE 02 LUANDA 01066 061442Z

THE FORESEEABLE FUTURE.

3. THE CHIEF OBSTACLE IN KEEPING EMPLOYEES HERE IS THAT MOST WANT TO LEAVE BECAUSE THEY CANNOT TRANSFER FUNDS TO PORTUGAL AND WITH THEIR FAMILIES BACK THERE THEY ARE HAVING FINANCIAL PROBLEMS. MANY ARE MAKING ARRANGEMENTS TO GO AND ABOUT 100 ARE SO WRAPPED UP IN SETTling THEIR PERSONAL AFFAIRS THAT THEY SHOW UP ONLY TO COLLECT THEIR PAY CHECKS. AMORY TALKED WITH THE MINISTERS OF FINANCE AND ECONOMY TEN DAYS AGO TO ASK THAT SPECIAL PERMISSION BE GRANTED TO PETROFINA AND PETROANGOLA EMPLOYEES TO CONVERT THEIR ANGOLAN ESCUDOS. THE PRINCIPAL RESPONSIBILITY LIES WITH THE MPLA MINISTER OF FINANCE AND HE HAS SO FAR GIVEN NO INDICATION WHAT HIS DECISION WILL BE.

4. IF THE PORTUGUESE AND EXPATRIATE PERSONNEL ARE EVACUATED, THE COMPANY WILL SEND IN CREWS FOR TWO MONTHS BEGINNING SEPTEMBER 15 AND THEN SHUT DOWN FOR A MONTH. AMORY DENIED THAT THE SCHEDULE IS FIXED SO THAT THE REFINERY WOULD BE DOWN DURING NOVEMBER, WHEN INDEPENDENCE WILL BE GRANTED. I HAD HEARD FROM THE MANAGER OF ONE OF THE OIL COMPANIES THAT THIS WAS THE CASE.

5. AMORY DID NOT DWELL ON THE QUESTION OF AN INDEFINITE SHUTDOWN AND I ASSUME THAT THE COMPANY DOES NOT AT THIS TIME CONSIDER IT A PRIME OPTION.

6. WHEN AMORY ASKED ME FOR MY RECOMMENDATION, I SAID WE ARE TELLING AMERICAN CITIZENS THAT ALL NON-ESSENTIAL PERSONNEL SHOULD LEAVE THE COUNTRY. HE SAID THE COMPANY HAS NO PROBLEMS IN NORTHERN ANGOLA; MPLA HAS BEEN DRIVEN OUT AND OPERATIONS ARE PROCEEDING NORMALLY. HE SAID HIS SOURCES TELL HIM THE MPLA ARMY IS A RAGTAG BUNCH THAT COULD NOT WITHSTAND AN FNLA ASSAULT. I EMPHASIZED THAT NO ONE HAS ACCURATE INTELLIGENCE ON THE CAPABILITIES OF EITHER SIDE AND THAT HE WOULD BE WELL ADVISED TO TAKE PRECAUTIONS WHEREVER THE COMPANY OPERATES.

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